

IRS will begin sending informational post cards to eligible Orange County businesses

WASHINGTON, D.C. – Congresswoman Loretta Sanchez (CA-47) today announced that more than 500,000 California businesses will soon receive information in their mailboxes about new tax credits they are eligible for as part of the health care reform legislation signed into law last month. The credit, which goes into effect this year, is designed to encourage small employers to offer health insurance coverage for the first time or maintain the coverage they already provide.

“Everyone knows that rising health care costs are crushing small businesses in our community,” said Rep. Sanchez, who is a member of the bipartisan Joint Economic Committee. “One of the ways this Congress is tackling those costs is by offering immediate tax assistance to help small businesses provide quality, affordable coverage to their employees. Over half a million businesses in California are eligible for this credit, and I hope every single one will take full advantage of these savings.”

Starting this week, the IRS is mailing more than 4 million postcards to small businesses around the country to help ensure that they realize they may qualify for the tax credit. ([Click here](#) to view the postcard).

The tax credit is available to small businesses with 25 or fewer employees and an average wage of \$50,000 or less that provide health insurance for their employees. Companies with 10 or fewer employees and an average wage of \$25,000 or less get the maximum credit—35% of what the employer is paying for employee insurance coverage. The maximum credit rises to 50% in 2014.

The tax credit is also available to small non-profits. For non-profits, the tax credit is worth up to 25% of what the employer is paying for employee insurance coverage. The maximum credit for non-profits rises to 35% in 2014.

Employers can determine whether or not they qualify for the tax credit by [clicking here](#) .

Additional [information about the credit](#) and [answers to frequently asked questions](#) are also

available on the IRS's official website.

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